

December 23, 2009

Mr. Ben S. Bernanke
Board of Governors of the Federal Reserve System
20th Street and Constitution Ave., NW
Washington, DC 20511

RE: Proposed Changed to Closed-End Mortgage Rules (Docket No. R-1366)

Dear Sir or Madam:

I have spent a good bit of time evaluating the proposed changes with respect to Regulation Z as it relates to closed end mortgages and I have some grave concerns with pending changes being considered for loan originator compensation.

I originate mortgage loans in Dallas, TX for PrimeLending which is a small to mid-sized lending institution. We provide financing for families all across the spectrum but have heavy focus on FHA and VA loans. Many of our customers are suffering just as people are all across this country. Credit scores have dropped as has the ability to come up with a large down payment.

Honestly, there are many unique and highly emotional and complex situations that can make processing their financing requests quite difficult and in many cases very time consuming. They come to us as they know that the level of attention they need is not going to be available from the big lending institutions that remain in the market today. All of the big lenders left today focus solely on volume with little concern for the people that require more time and attention.

Based on the proposed rules being considered my employer will not be able to compensate me for the extra time and effort that I put in to these loans. Our customers are more than willing to pay a slightly higher rate or fee in order to get their families in to a home. The result of this type of ruling will make it harder for many deserving families to obtain a mortgage loan, especially small business owners and our families from underserved communities.

The reason for this is simple, if loan officers are not allowed to be paid for the extra time and effort required on these loans they will be much less inclined to take on these borrowers but instead will shift their focus to more conventional, straight-forward borrowers. This is simply a time value of money response that will be very damaging to our country's already fragile real estate market.

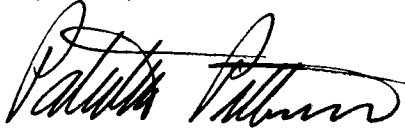
Add to this the fact that reducing loan agent compensation will simply drive many of the best in this industry, those with higher learning degrees, to seek employment in other finance related industries. This unfortunately will reduce the quality of people working in this industry creating even more difficulty for borrowers already challenged by stiffer lending regulations. Consumer will be forced to deal with large lender call centers that are now sending the origination and processing process overseas. Image the degradation of quality as more and more loan applications are in the hands of people that simply have no clue as to what is required to make bring a mortgage to fruition and make a happy homeowner.

Before considering these type of drastic changes to loan officer compensation I would ask the board to allow the new SAFE Act requirements, now in place for loan originators, to do its job. This will continue to include stiffer education requirements, more rigorous testing and extensive background checks.

If the proposed restrictions do move forward, conventional prime loans should be excluded from restricted loan agent compensation as they simply do not create the same risk of abuse as do riskier products in the market place. On top of that, the subprime products that created the overwhelming majority of this situation are simply not available anymore and should not be allowed to creep back in to the market under any circumstances.

Thank you for allowing my voice to be heard on the proposed rule.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Patrick Pittman", with a stylized, flowing script.

Patrick Pittman
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